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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

IN

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**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/16 AND ENDING 12/31/16
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: USA Financial Securities Corporation

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
6020 East Fulton Street SE

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)		
Ada	MI	49301
(City)	(State)	(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Brent Enders (888) 407-8198
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Echelbarger, Himebaugh, Tamm & Co., P.C.

(Name - if individual, state last, first, middle name)			
2301 East Paris Avenue SE	Grand Rapids	MI	49546
(Address)	(City)	(State)	(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

MAR 01 2017

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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USA FINANCIAL SECURITIES CORPORATION

FINANCIAL STATEMENTS

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OATH OR AFFIRMATION

I, Brent Enders, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of USA Financial Securities Corporation, as of December 31, 2016, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

[Handwritten Signature]

Signature

President

Title

[Handwritten Signature: Angela M Versluis]
Notary Public

ANGELA M VERSLUIS
Notary Public, State of Michigan
County of Kent
My Commission Expires Aug. 04, 2018
Acting In the County of Kent

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

February 28, 2017

To the Board of Directors of
USA Financial Securities Corporation

We have audited the accompanying statements of financial condition of USA Financial Securities Corporation as of December 31, 2016 and 2015, and the related statements of income, changes in stockholders' equity, and changes in financial condition for the years then ended. These financial statements are the responsibility of USA Financial Securities Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USA Financial Securities Corporation as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The supplementary schedules have been subjected to audit procedures performed in conjunction with the audits of USA Financial Securities Corporation's financial statements. The supplemental information is the responsibility of USA Financial Securities Corporation's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained in Form X-17A-5 Part III and the supplemental schedules listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities and Exchange Act of 1934. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information contained in Form X-17A-5 Part III and the supplemental schedules has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

A handwritten signature in cursive script that reads "Echelbarger, Himebaugh, Tamm & Co. P.C.".

Echelbarger, Himebaugh, Tamm & Co., P.C.
Grand Rapids, Michigan

USA FINANCIAL SECURITIES CORPORATION

STATEMENTS OF FINANCIAL CONDITION

<u>ASSETS</u>	December 31,	
	<u>2016</u>	<u>2015</u>
Cash	\$ 913,245	\$ 513,007
Receivables:		
Commissions	1,332,360	1,134,934
Related parties	113,674	105,105
Representatives	28,469	23,483
Other	29,982	119,155
Firm Operating Accounts - Brokerage/Custody	202,128	519,420
Prepaid expenses	395,552	339,186
Software, office furniture and equipment, at cost, net of accumulated amortization and depreciation of \$65,777 and \$64,635, respectively	3,726	826
Clearing deposit - Pershing	25,000	25,000
CRD accounts	8,811	13,400
Available-for-sale securities	70,062	74,196
TOTAL ASSETS	\$ 3,123,008	\$ 2,867,712
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
LIABILITIES:		
Accounts payable:		
Representatives	\$ 1,116,591	\$ 1,077,879
Related party	144,800	137,687
Trade	31,502	33,517
Accrued expenses:		
Leased employees - related party	119,175	105,055
Other	38,290	33,957
Note payable	138,196	110,745
Representative errors and omissions insurance deposits	-	10,764
Operational accounts - Pershing	11,522	18,403
Total Liabilities	1,600,076	1,528,007
STOCKHOLDERS' EQUITY:		
Capital stock, no par value; shares authorized 60,000; issued and outstanding 12,000	200,000	200,000
Paid-in capital	485,000	485,000
Retained earnings	839,039	651,685
Accumulated other comprehensive (loss) income	(1,107)	3,020
Total Stockholders' Equity	1,522,932	1,339,705
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,123,008	\$ 2,867,712

See Independent Auditor's Report
See notes to financial statements

USA FINANCIAL SECURITIES CORPORATION

STATEMENTS OF INCOME

	For year ended December 31,			
	2,016		2015	
REVENUES:				
Investment company revenue:				
Commissions	493,231	2.55 %	\$ 548,197	2.83 %
12b1 Fees	1,065,160	5.51	871,925	4.51
Other	5,787	0.03	4,388	0.02
Fees for account supervision and Investment Advisory Services	9,380,304	48.52	7,736,846	40.00
REIT Revenue	848,200	4.39	2,761,495	14.28
Variable Insurance Revenue	5,080,666	26.28	4,797,605	24.80
Brokerage Revenue - Pershing	413,441	2.14	481,810	2.49
UIT Revenue	298,953	1.55	271,500	1.40
Representative Fees and Charges	666,346	3.45	689,494	3.56
EIA Revenue (Related Party)	860,646	4.45	693,826	3.59
Other revenue	221,596	1.15	487,160	2.52
Total Revenues	19,334,330	100.00	19,344,246	100.00
EXPENSES:				
Registered Rep Commissions	14,137,164	73.12	14,755,188	76.28
Salaries, Other Compensation and Benefits	1,730,858	8.95	1,531,575	7.92
Money Manager Fees (Related Party)	605,666	3.13	175,335	0.91
Technology Expenses	540,396	2.80	528,683	2.73
Marketing and Recruiting Expenses	396,043	2.05	425,713	2.20
Insurance Expenses	277,754	1.44	256,665	1.33
Regulatory Fees and Expenses	244,827	1.27	215,667	1.11
Brokerage Expenses - Pershing	224,393	1.16	208,583	1.08
Administrative Fees (Related Party)	198,000	1.02	178,500	0.92
Professional Service Fees	187,964	0.97	213,592	1.10
Rent	145,200	0.75	161,700	0.84
Client Settlements	106,612	0.55	406	-
Other expenses	329,821	1.71	261,432	1.35
Interest expense	6,707	0.03	4,723	0.02
Total Expenses	19,131,405	98.95	18,917,761	97.79
Income Before Income Taxes	202,925	1.05	426,485	2.21
INCOME TAXES	15,571	0.08	22,401	0.12
NET INCOME	187,354	0.97 %	\$ 404,084	2.09 %

USA FINANCIAL SECURITIES CORPORATION

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock		Paid-in Capital
	Shares	Amount	
Balance at January 1, 2015	12,000	\$ 200,000	\$ 485,000
Additional paid in capital	-	-	-
Dividends	-	-	-
COMPREHENSIVE INCOME:			
Net income	-	-	-
Change in unrealized gain on securities available-for-sale	-	-	-
Total Comprehensive Income	<hr/>	<hr/>	<hr/>
Balance at December 31, 2015	12,000	200,000	485,000
Dividends	-	-	-
COMPREHENSIVE INCOME:			
Net income	-	-	-
Change in unrealized gain on securities available-for-sale	-	-	-
Total Comprehensive Income	<hr/>	<hr/>	<hr/>
Balance at December 31, 2016	<u>12,000</u>	<u>\$ 200,000</u>	<u>\$ 485,000</u>

See Independent Auditor's Report
See notes to financial statements

<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Stockholders' Equity</u>
\$ 583,291	\$ 444	\$ 1,268,735
-	-	-
(335,690)	-	(335,690)
404,084	-	404,084
-	2,576	<u>2,576</u>
		406,660
<u>651,685</u>	<u>3,020</u>	<u>1,339,705</u>
-	-	-
187,354	-	187,354
-	(4,127)	<u>(4,127)</u>
		<u>183,227</u>
<u>\$ 839,039</u>	<u>\$ (1,107)</u>	<u>\$ 1,522,932</u>

See Independent Auditor's Report
See notes to financial statements

USA FINANCIAL SECURITIES CORPORATION

STATEMENTS OF CHANGES IN FINANCIAL CONDITION

	<u>For year ended December 31,</u>	
	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 187,354	\$ 404,084
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	1,141	1,892
Loss on disposal of property and equipment	-	1,091
(Increase) decrease in:		
Receivables	(121,807)	(161,146)
Prepaid expenses	(56,364)	(16,769)
Operational accounts (assets)	317,292	(282,403)
CRD Daily account	4,589	(955)
Increase (decrease) in:		
Accounts payable	43,810	123,451
Accrued expenses	18,452	20,471
Operational accounts (liabilities)	(6,881)	8,489
Other liabilities	(10,758)	8,073
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>376,828</u>	<u>106,278</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Computers	(4,042)	-
Purchase of Securities	-	(60,869)
NET CASH USED BY INVESTING ACTIVITIES	<u>(4,042)</u>	<u>(60,869)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from note payable	205,838	165,000
Payments on note payable	(178,386)	(165,013)
Dividends paid	-	(335,690)
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES	<u>27,452</u>	<u>(335,703)</u>
INCREASE/(DECREASE) IN CASH	400,238	(290,294)
CASH, Beginning of Year	<u>513,007</u>	<u>803,301</u>
CASH, End of Year	<u>\$ 913,245</u>	<u>\$ 513,007</u>

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See notes to financial statements

<u>For year ended December 31,</u>	
<u>2016</u>	<u>2015</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Operating Activities Include Cash Payments For:

Interest

<u>\$</u>	<u>6,707</u>	<u>\$</u>	<u>4,723</u>
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Income Taxes

<u>\$</u>	<u>15,571</u>	<u>\$</u>	<u>22,401</u>
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USA FINANCIAL SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

1. ORGANIZATION AND NATURE OF BUSINESS

USA Financial Securities Corporation (Company) is an introducing broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is a Michigan Corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The Company is engaged in business in Michigan and multiple other states as a securities broker-dealer, which comprises several classes of services, including agency transactions with occasional principal transactions. The Company is also a Registered Investment Advisor.

CASH AND CASH EQUIVALENTS

The statement of changes in financial condition is designed to show the change in cash and cash equivalents during the year. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to cash and are so near maturity that fluctuations in interest rates lead to insignificant risk of changes in investment value. The Company held no cash equivalents at December 31, 2016 and 2015.

AVAILABLE-FOR-SALE-SECURITIES

Available-for-sale securities consisting of publicly and non-publicly traded Real Estate Investment Trusts (REITs) are carried at market value. Realized gains and losses on available-for-sale securities are recognized in the statement of income as they occur. Unrealized holding gains and losses are recognized as a net amount in a separate component of stockholders' equity. Cost of securities sold for the purpose of computing gains or losses is determined by the specific identification method.

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures of investments in debt and equity securities that are classified as available-for-sale on a recurring basis.

FASB ASC 820-10 defines fair value, establishes a consistent framework for measuring fair value, and expands disclosure requirements for fair value measurements.

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs are unobservable inputs for the asset or liability.

USA FINANCIAL SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OTHER COMPREHENSIVE INCOME

The Company complies with provisions of FASB ASC 220, *Comprehensive Income*, which requires companies to report all changes in equity during a period, except those resulting from investment by owners and distributions to owners, for the period in which they are recognized. Comprehensive income is the total of net income/loss and all other non-owner changes in equity (or other comprehensive income) such as unrealized gains or losses on securities classified as available-for-sale, foreign currency translation adjustments and minimum pension liability adjustments. Accumulated other comprehensive income/loss must be reported on the face of the financial statements. Total other comprehensive loss for the year ended December 31, 2016, was \$4,127 which consists of net unrealized losses on available-for-sale securities. Total other comprehensive income for the year ended December 31, 2015, was \$2,576 which consists of net unrealized gains on available-for-sale securities.

ACCOUNTS RECEIVABLE

Accounts receivable includes securities fees/commissions and representative fee obligations due under normal trade terms.

Management reviews all representative accounts receivable periodically to determine if any amounts will be uncollectible, based upon the credit risk of specific representatives, historical trends and other information. Amounts that are determined to be potential credit losses are written off when determined uncollectible. No allowance for doubtful accounts is considered necessary for the years ended December 31, 2016, and 2015. Such losses have historically been within management's expectations.

COMMISSIONS (REVENUE RECOGNITION)

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

PREPAID FINRA LICENSING

The Company amortizes the cost of annual Financial Industry Regulatory Authority (FINRA) licensing over the period of benefit which was twelve months for 2016 and 2015.

PROPERTY AND EQUIPMENT

Depreciation for financial statement purposes is computed using the straight-line method, based on estimated useful lives of the assets which, in some instances, may be greater than the lives allowed for tax purposes. For income tax purposes, assets are depreciated using the straight-line method and the Modified Accelerated Cost Recovery System (MACRS). Depreciation expense totaled \$1,141 and \$1,892, respectively, for the years ended December 31, 2016 and 2015.

USA FINANCIAL SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SOFTWARE

Software is amortized over three years using the straight line method.

ADVERTISING COSTS

Advertising costs are charged to expense as incurred.

INCOME TAXES

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. However, the Company is subject to various state taxes.

Income tax positions taken by the Company are recognized and measured under a more-likely-than-not success threshold. Management has evaluated the Company's various tax positions under this criteria for recognition, derecognition, and measurement in these financial statements.

The Company files income tax returns in U.S. federal and several state jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal tax examinations for years before 2013 and state tax examinations for years before 2012.

The Company accrues interest related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the years ended December 31, 2016 and 2015, the Company accrued interest or penalties relating to unrecognized tax benefits in the amount of \$0 for each year.

MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles issued by the United States of America Financial Accounting Standards Board (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

OFF-BALANCE SHEET RISK AND CONCENTRATION OF CREDIT RISK

Credit risk represents the maximum potential loss that the Company would incur if the counterparties failed to perform pursuant to the terms of their agreements with the Company.

USA FINANCIAL SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

OFF-BALANCE SHEET RISK AND CONCENTRATION OF CREDIT RISK (CONTINUED)

In the normal course of business, the Company facilitates the execution of securities transactions on behalf of customers as an agent. If the agency transactions do not settle because of failure to perform by either the customer or the counterparty, the Company may be obligated to discharge the obligation of the nonperforming party and, as a result, may incur a loss if the market value of the securities differs from the contract amount.

The Company is also subject to credit risk to the extent that the Company's clearing broker may be unable to fulfill its obligations either to return the Company's securities held as deposits or repay net commission owed.

The Company's policy is to monitor its market exposure and counterparty risk. The Company maintains insurance to mitigate their risk.

RELATED PARTIES

The Company is a wholly-owned subsidiary of USA Financial Corporation. The Company has transactions with USA Financial Corporation and its other subsidiaries: USA Financial Team Corporation, USA Financial Insurance Services Corporation, USA Financial Portformulas Corporation, USA Financial Plug-N-Run Corporation and USA Financial Media Corporation. In addition, the Company has transactions with another related party, USA Financial Equity, LLC. Please see note 11 for additional related party information.

3. CASH

Substantially all cash is on deposit with three financial institutions. At various times during the year, the Company's cash in bank balances exceeds the Federally Insured limits. At December 31, 2016 and 2015, respectively, the Company's bank balances totaled \$913,845 and \$559,325 of which \$256,352 and \$0 was uninsured by the Federal Deposit Insurance Corporation (FDIC).

4. AVAILABLE-FOR-SALE SECURITIES

Marketable securities have been classified according to management's intent. Available-for-sale securities at December 31, 2016, are summarized as follows:

	Cost	Estimated Market Value	Gross Unrealized Gains (Losses)
InvenTrust Properties Corp.	\$ 6,196	\$ 4,864	\$ (1,332)
Xenia Hotels & Resorts, Inc.	4,554	3,748	(806)
AR Capital American Finance Trust, Inc.	30,905	32,148	1,243
AR Capital Healthcare Trust, Inc.	29,965	29,302	(663)
	<u>\$ 71,620</u>	<u>\$ 70,062</u>	<u>\$ (1,558)</u>

See Independent Auditor's Report

USA FINANCIAL SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

4. AVAILABLE-FOR-SALE SECURITIES (CONTINUED)

Available-for-sale securities at December 31, 2015, are summarized as follows:

	Cost	Estimated Market Value	Gross Unrealized Gains (Losses)
InvenTrust Properties Corp.	\$ 6,196	\$ 6,196	\$ -
Xenia Hotels & Resorts, Inc.	4,554	2,959	(1,595)
AR Capital American Finance Trust, Inc.	30,905	32,148	1,243
AR Capital Healthcare Trust, Inc.	29,965	32,893	2,928
	<u>\$ 71,620</u>	<u>\$ 74,196</u>	<u>\$ 2,576</u>

The Company's investments are measured using Level 2 inputs (third party secondary market report commonly used within the Company's industry).

5. DEPOSIT WITH CLEARING BROKER

The Company is required to maintain a collateral account with its clearing broker with a minimum market value of \$25,000.

6. ADVERTISING COSTS

Advertising expense charged to operations totaled \$98,974 and \$197,212 for the years ended December 31, 2016 and 2015, respectively.

7. SOFTWARE

Software is being amortized over three years using the straight line method. All software costs were fully amortized as of December 31, 2016 and 2015.

8. NOTE PAYABLE

The Company has an unsecured short term note payable to finance its errors and omissions insurance. The note requires monthly payments of \$23,416 including interest at 5.69% and matures in July 2017. As of December 31, 2015, the note required monthly payments of \$18,751 including interest at 5.44% and matured in July 2016.

9. INCOME TAXES

The Company files as a Qualified Subchapter S Subsidiary of an S-corporation and records certain state tax expenses separate from its parent.

USA FINANCIAL SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

9. INCOME TAXES (CONTINUED)

Provision for income taxes consists of the following:

	For years ended December 31,	
	2016	2015
Other states	\$ 15,571	\$ 22,401

The tax rate applied is based on timing differences for expenses deductible for financial reporting purposes that are deductible for tax purposes on a different basis. The Company's effective income tax rate is lower than what would be expected because it is an S Corporation which does not pay federal corporate income taxes. Because the Company is an S Corporation, the Company is not subject to the Michigan Corporate Income Tax (CIT). The Company remained subject to other state income taxes in 2016.

10. NET CAPITAL REQUIREMENTS

The Company is subject to the SEC Uniform Net Capital Rule (SEC rule 15c3-1), which requires the Company to maintain minimum net capital of not less than \$50,000 and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2016, the Company had net capital of \$663,102 which was \$556,430 in excess of the required net capital of \$106,672, and the Company's aggregate indebtedness to net capital ratio was 2.41 to 1. At December 31, 2015, the Company had net capital of \$330,142 which was \$228,275 in excess of the required net capital of \$101,867, and the Company's aggregate indebtedness to net capital ratio was 4.63 to 1.

11. RELATED PARTY TRANSACTIONS

The Company reimburses USA Financial Insurance Services Corporation on a monthly basis for costs paid on the Company's behalf. The unpaid portion of these expenses included in accounts payable is \$54,485 and \$68,362 at December 31, 2016 and 2015, respectively. Total expenses reimbursed for the year ended December 31, 2016 and 2015 were \$722,915 and \$574,801, respectively.

Additionally, the Company has a revenue sharing agreement with USA Financial Insurance Services Corporation. The revenue sharing agreement generated \$860,646 and \$693,826 of the Company's revenues for the years ended December 31, 2016 and 2015, respectively. The unpaid portion of this income included in accounts receivable is \$62,441 and \$78,664 at December 31, 2016 and 2015, respectively.

USA FINANCIAL SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

11. RELATED PARTY TRANSACTIONS (CONTINUED)

The Company reimburses USA Financial Corporation (Parent Company) on a monthly basis for costs paid on the Company's behalf. The unpaid portion of these expenses included in accounts payable at year end is \$0 for each year ended December 31, 2016 and 2015. Total expenses reimbursed for the year ended December 31, 2016 and 2015 was \$961 and \$5,293, respectively. In addition to reimbursed expenses, the Company paid the Parent Company \$198,000 and \$178,500 in management fees for the years ended December 31, 2016 and 2015, respectively.

The Company engages in business with USA Financial Portformulas Corporation. The revenue generated from this business totaled \$3,625,800 and \$3,438,586 for the years ended December 31, 2016 and 2015, respectively. The unpaid portion of this income included in accounts receivables - commissions at year end is \$330,240 and \$276,279 at December 31, 2016 and 2015, respectively. Total fees expensed by the Company to USA Financial Portformulas Corporation for account management was \$557,446 and \$175,335 for the years ended December 31, 2016 and 2015, respectively. The unpaid portion of these expenses included in accounts payable at December 31, 2016 and 2015 is \$61,239 and \$29,716, respectively.

The Company receives marketing support services from USA Financial Plug-N-Run Corporation. A total of \$24,000 and \$74,000 was charged to expense under this agreement during for the years ended December 31, 2016 and 2015, respectively. The Company reimburses USA Financial Plug-N-Run Corporation on a monthly basis for costs paid on the Company's behalf. Total expenses reimbursed for the year ended December 31, 2016 and 2015 were \$327,147 and \$183,589, respectively. The unpaid portion of the marketing support and expenses included in accounts payable at year end is \$25,811 and \$32,404 at December 31, 2016 and 2015, respectively. Additionally, the Company receives reimbursement from USA Financial Plug-N-Run Corporation for certain representative fees and technology costs incurred by the Company. Total expense reimbursement totaled \$356,115 and \$212,858 for the years ended December 31, 2016 and 2015, respectively. The total expense reimbursement in Accounts Receivable is \$34,984 and \$26,441 at December 31, 2016 and 2015, respectively.

The Company rents office space on a month-to-month basis from USA Financial Equity, LLC. A total of \$145,200 and \$161,700 was charged to expense under this agreement during the years ended December 31, 2016 and 2015, respectively.

The Company receives advertising and marketing support services from USA Financial Media Corporation. A total of \$12,000 was charged to expense under this agreement for each of the years ended December 31, 2016, and 2015. Additionally, the Company reimburses USA Financial Media Corporation on a monthly basis for costs paid on the Company's behalf. Total expenses reimbursed for the year ended December 31, 2016 and 2015 were \$2,060 and \$26,590 respectively. The unpaid portion of the support services and expenses included in accounts payable is \$0 and \$4,148 at December 31, 2016, and 2015, respectively.

USA FINANCIAL SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

11. RELATED PARTY TRANSACTIONS (CONTINUED)

The Company leases the majority of its employees from USA Financial Team Corporation. The payments made to this Company are for payroll related expenses, management fees, and a 401k plan for all eligible employees. Total payments made to this related party for the year ended December 31, 2016 and 2015 were \$1,741,512 and \$1,540,706, respectively. Accrued leased employee expense totaled \$119,175 and \$105,055 at December 31, 2016 and 2015, respectively. The unpaid portion of this other leased employee expenses included in accounts payable is \$3,266 and \$3,057 at December 31, 2016 and 2015, respectively.

Several representatives of the Company are either owners of the Company or employees of USA Financial Team Corporation. These related representatives generated \$30,721 and \$32,899 in revenue during the years ended December 31, 2016 and 2015, respectively. Of this revenue, the amount uncollected and included in commissions receivable totaled \$1,637 and \$1,032 at December 31, 2016 and 2015, respectively. A portion of the revenue generated was paid to these representatives and expensed as commission expense. Commission expense paid to related parties is summarized as follows:

	For years ended December 31,	
	2016	2015
Related representative commission expense	\$ 24,391	\$ 26,486

Of the total charged to commission expense, there was \$1,310 and \$826 due to these representatives at December 31, 2016 and 2015, respectively.

12. OPERATING LEASES

The Company rents various online applications under one year operating leases and other operating leases expiring at various dates. Most of the leases contain automatic renewal options of one year periods unless notice of cancellation is provided by the Company. Some of the leases have a minimum payment and/or are contingent on users and other variables. Total rental expense was \$209,539 and \$395,413 for the years ended December 31, 2016 and 2015, respectively.

The following schedule details future minimum lease payments as of December 31, 2016, for operating leases with initial or remaining lease terms in excess of one year:

For the year ending December 31:		2017	61,400
		2018	61,400
		2019	15,350
			\$ 138,150

USA FINANCIAL SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

13. MAJOR PRODUCTS

For the year ended December 31, 2016, the Company's revenues were substantially from two product types which accounted for approximately 75% of revenues. For the year ended December 31, 2015, the Company's revenues were substantially from four product types which accounted for approximately 65% of revenues.

14. SUBSEQUENT EVENTS

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through February 28, 2017, the date the financial statements were available to be issued.

15. CONTINGENCIES

The Company is involved in certain legal actions arising in the ordinary course of business. In addition, the Company is also involved in routine regulatory examinations. Management believes, based on the advice of legal counsel, that such litigation and claims and regulatory examinations will be resolved without a material effect on the Company's financial position.

USA FINANCIAL SECURITIES CORPORATION
SCHEDULE I -
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2016

NET CAPITAL:	
Total stockholders' equity	\$ 1,522,932
Total capital qualified for net capital	1,522,932
Deductions and/or charges:	
Nonallowable assets:	
Receivables:	
Non-allowable commissions	212,741
Related party	113,674
Representatives	28,469
Other	29,982
Prepaid expenses	395,552
Available-for-sale securities	66,313
Haircut on Position(s)	562
CRD accounts	8,811
Office furniture and equipment, net of accumulated depreciation	3,726
TOTAL NET CAPITAL	\$ 663,102
AGGREGATE INDEBTEDNESS:	
Items included in statement of financial condition:	
Accounts payable	\$ 1,292,893
Accrued expenses:	
Leased employees - related party	119,175
Other	38,290
Note payable	138,196
Operational accounts - Pershing	11,522
TOTAL AGGREGATE INDEBTEDNESS	\$ 1,600,076
COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:	
Net capital requirement	\$ 50,000
Minimum net capital required	\$ 106,672
Excess net capital at 1,500 percent	\$ 556,430
Excess net capital at 1,000 percent	\$ 503,095
Ratio: Aggregate indebtedness to net capital	2.41

Statement Pursuant to Rule 17a-5(d)(4) - A reconciliation of the Company's computation of net capital as reported in the unaudited Part II A of Form X-17A-5 was not prepared as there are no differences between the Company's computation of net capital and the computation contained herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

February 28, 2017

To the Board of Directors of
USA Financial Securities Corporation
Grand Rapids, MI

We have reviewed management's statements, included in the accompanying USA Financial Securities Corporation Exemption Report, in which (1) USA Financial Securities Corporation identified the following provision of 17 C.F.R. §15c3-3(k) under which USA Financial Securities Corporation claimed an exemption from SEC Rule 15c3-3, *Customer Protection*, 17 C.F.R. §240.15c3-3 (k)(2)(ii) (the "exemption provision") and (2) USA Financial Securities Corporation stated that USA Financial Securities Corporation met the identified exemption provision throughout the most recent fiscal year except as described in its exemption report. USA Financial Securities Corporation's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about USA Financial Securities Corporation's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k) (2) (ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Respectfully submitted,



Echelbarger, Himebaugh, Tamm & Co., P.C.
Grand Rapids, Michigan

USA FINANCIAL SECURITIES CORPORATION

2016 Exemption Report

SEC Rule 17a-5(d)(1) and (4)

USA Financial Securities Corporation, headquartered at 6020 East Fulton Street, Ada, Michigan 49301 (the "Company"), is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, *Reports to be made by certain brokers and dealers*). This Exemption Report was prepared solely for the purposes of SEC Rule 17a-5(d)(1) and (4), 17 C.F.R. § 240.17a-5(d)(1) and (4).

To the best of its knowledge and belief, the Company states the following:

(1) The Company claimed an exemption from SEC Rule 15c3-3, *Customer Protection*, 17 C.F.R. § 240.15c3-3, under subsection (k)(2)(ii), 17 C.F.R. § 240.15c3-3 (k)(2)(ii), with respect to all of its fiscal year ended on December 31, 2016.

(2) The Company met the identified exemption provisions in subsection (k)(2)(ii), 17 C.F.R. § 240.15c3-3 (k)(2)(ii), throughout its fiscal year ended on December 31, 2016, except as described in Exhibit A, attached hereto and incorporated by reference herein.

I, Andrea McGrew, being the Company's Chief Legal Officer and Chief Compliance Officer, affirm that, to my best knowledge and belief, this Exemption Report, including Exhibit A, is true and correct.

USA FINANCIAL SECURITIES CORPORATION



Dated: February 24, 2017

Andrea McGrew, Chief Legal Officer and
Chief Compliance Officer

USA Financial Securities Corporation
2016 Exemption Report

EXHIBIT A

The Company claims an exemption from the requirements of SEC Rule 15c3-3 based upon subsection (k)(2)(ii). The Company is an introducing broker-dealer that clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer. The Company's written supervisory policies and procedures require its associated persons to promptly transmit all customer funds and securities to the Company's clearing broker-dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of Rules 17a-3 and 17a-4, as are customarily made and kept by a clearing broker or dealer, as provided in SEC Rule 15c3-3(k)(2)(ii).

FINRA's guidance regarding compliance with SEC Rule 15c3-3(k)(2)(ii) provides, in relevant part, that:

Broker/dealers that operate with a minimum net capital requirement of \$5,000 per SEC Rule 15c3-1(2)(vi) and claim the (k)(2)(ii) exemption under SEC Rule 15c3-3 could become subject to a \$250,000 minimum net capital requirement if they receive checks made payable to them. Simply, a broker/dealer is deemed to receive customer funds if the customer's check is made payable to the broker/dealer. However, if an introducing firm receives such a check but promptly instructs customers to make checks payable to the clearing broker/dealer, the firm would not be found to be receiving customer funds. The firm should maintain a record of such instructions, i.e., letter to the customer or memorandum detailing the conversation, to protect its \$5,000 net-capital status. Normally, receipt of such checks should be an unusual and infrequent occurrence. However, if a pattern emerges wherein a customer(s) repeatedly remits checks made payable to the introducing firm, the broker/dealer will become subject to a \$250,000 minimum net capital requirement. NASD Regulation suggests that the firm's written supervisory procedures address this issue, including steps to return the check to the customer with instructions to make the check payable to the clearing broker/dealer.

Emphasis added. Available on FINRA's website at: http://finra.complinet.com/en/display/viewall_plain.html?rbid=1189&element_id=1159005184

The Company's written supervisory procedures, including its related continuing education for associated persons, require that each of its associated persons promptly forward to the Company's home office all customer funds or securities. As described in SEC Rule 15c3-1(c)(9) and (10), the Company defines "promptly" as being no later than noon of the next business day following receipt of such funds or securities. The Company maintains a system of internal controls to document and supervise the handling of customer checks, including branch office and home office check blotters, which are periodically reviewed by home office compliance staff.

During 2016, the Company processed 5,407 customer checks. Of those 5,407 checks, 23 were held longer than the permitted time frame and, of those 23 checks, two were payable to the Company for investment advisory services and five were connected with the purchase of an equity indexed annuity ("EIA") by persons who were not brokerage customers of the Company. By policy, the Company requires all associated persons to forward EIA applications and related checks to the

USA Financial Securities Corporation
2016 Exemption Report

Company's home office for supervisory purposes. The remainder of the late checks were payable to an unaffiliated third-party custodian. All checks held at the home office are placed in safekeeping under lock and key, so we do not believe holding them posed a risk of misappropriation.

We note that, according to the definitions set forth in SEC Rule 15c3-3, the term "customer" means "any person from whom or on whose behalf a broker or dealer has received or acquired or holds funds or securities for the account of that person." EIAs are not securities products and EIA purchasers are not broker-dealer clients.¹ The Company reviews all EIA purchases for suitability based on NASD Notice to Members 05-50, however, we consider EIA transactions to constitute outside business activities.

We believe that the two advisory fee checks and five EIA checks were properly delivered pursuant to all applicable rules. As such, we believe that only 16 checks, or 0.29% of all checks processed in 2016 were not forwarded by noon the following business day. The Company took corrective action in each of those instances indicated in the attached exception reporting schedule for the Company's fiscal year ended on December 31, 2016.

Audit Period	Rep Name	Received	Forwarded	Check No.	Client Name	Type	Forwarded To	Account Number	Amount	Product Type	ID	Business Days Held	Violation Number	Action Taken
2016-02	Tim Whisler	2/1/2016	2/3/2016	2273	Guderian, Derek	Log Check to USA-FS	USA-FS	557908	\$200,000.00	AUM (3rd Party Manager)	117447	2	1 (a)	Warning email sent 3/2
2016-02	Tim Whisler	2/3/2016	3/3/2016	1541	Leeman, Richard	Advisory Fee	USA-FS	IAR-LEEMAN-5785	\$500.00	Advisory Fee	118899	20	1 (b)	Warning email sent 3/2
2016-02	Michael S. Dum	2/24/2016	2/26/2016	618	TOUPS, NOEL	Purchase	USA-FS	Not Yet Issued	\$10,000.00	Alternative Investments	118594	2	1	Warning email 3/2 (MC called 2/29)
2016-03	Kathy Colby	3/11/2016	3/15/2016	100267760738	Crawford, Robert	Purchase	USA-FS	925105975	\$779,189.73	AUM (3rd Party Manager)	119433	2	1	Warning email sent 4/13
2016-04	Brian Parker	4/2/2016	4/7/2016	1001	Lee, Starr M	Purchase	USA-FS	4U6125355	\$5,500.00	Brokerage Account	120799	2	1	Warning email sent 5/4 (JB called 4/8)
2016-07	Blanchard, Gary	7/12/2016	7/14/2016	572	Enz, David	Advisory Fee	USA-FS	IAR-ENZ-61310	\$250.00	Advisory Fee	125264	2	1	Warning email sent 8/3 (MC called 7/14)
2016-07	Michael Kraub	7/14/2016	7/18/2016	6270	Dolan, Daniel	Log Check to USA-FS	USA-FS	1201644	\$10,000.00	EIA	125186	2	1	Warning email sent 8/3 (MP called 7/14)
2016-08	Rob Wolf	8/28/2016	9/2/2016	8886	Fleet, Janis	Purchase	USA-FS	Not Yet Issued	\$20,000.00	EIA	127120	5	1	Warning email sent 9/7 (MA called 9/6)
2016-09	Marc Hudson	9/7/2016	9/9/2016	6767	Schutt, Robert	Purchase	USA-FS	Not Yet Issued	\$50,000.00	EIA	127382	2	1	Warning email sent 10/5 (CG called 9/13)
2016-11	Rob Wolf	11/2/2016	11/4/2016	0002433060	Elisha Messner	Log Check to USA-FS	USA-FS	A63013816	\$41,554.15	Brokerage Account	129762	2	2 (a)	Warning email sent 12/7 (MA called 11/7)
2016-11	Rob Wolf	11/2/2016	11/4/2016	1720	Jason Messner	Purchase	USA-FS	Not Yet Issued	\$2,010.00	Mutual Fund	129772	2	2 (b)	Warning email sent 12/7 (MA called 11/7)
2016-12	Andrew Kayla	11/30/2016	12/5/2016	2011	Rachel Kayla	Purchase	USA-FS	4U6136238	\$3,000.00	Brokerage Account	130945	3	1	Warning email sent 12/20 (JB called 12/9)

Audit Period	Rep Name	Received	Forwarded	Cred No.	Client Name	Type	Company	Account Number	Amount	Invoice Type	ID	Business Days
2016-01	Raymond R. Lussier	1/12/2016	1/14/2016	6734	Rillahhan & Assoc., Brian Rillahhan	Purchase	Allianz Life	71185276	\$273,029.00	EIA	116310	2
2016-01	Elliot Omanson	1/15/2016	2/1/2016	1611	SV Imaging & Interior, Douangchai Vilaichit	Purchase	USA Financial Portformulas	Not Yet Issued	\$33,000.00	AUM (3rd Party Manager)	116506	11
2016-01	Don Coplin	1/29/2016	2/2/2016	5099	Youngblood, Mark	Purchase	USA Financial Portformulas	TAA003083	\$400,000.00	AUM (3rd Party Manager)	117146	2
2016-02	Mark Jaikes	2/19/2016	2/24/2016	114	Hahn, Mark	Purchase	Athene (Annexus)	AX00045423	\$50,000.00	EIA	118125	3
2016-04	Brad Burnett	4/18/2016	4/20/2016	096	Gode, Nisha S	Purchase	Pershing	4U6125603	\$1,000.00	Brokerage Account	121034	2
2016-04	Brad Burnett	4/18/2016	4/20/2016	097	Gode, Nisha S	Purchase	Pershing	4U6125611	\$5,000.00	Brokerage Account	121036	2
2016-04	Craig Watkins	4/20/2016	4/22/2016	1043	Buck, Janelle	Purchase	Pershing	4U6125744	\$10,000.00	Brokerage Account	121154	2
2016-04	Craig Watkins	4/20/2016	4/22/2016	1044	Buck, Janelle	Purchase	Pershing	4U6125736	\$5,500.00	Brokerage Account	121152	2
2016-08	Cheri Johnson	8/23/2016	8/30/2016	7172	Novotney, Thomas	Purchase	Griffin Capital	Not Yet Issued	\$35,000.00	Alternative Investments	126591	5
2016-08	Cheri Johnson	8/23/2016	8/30/2016	7173	Novotney, Thomas	Purchase	Franklin Square	Not Yet Issued	\$35,000.00	Alternative Investments	126590	5
2016-08	Cheri Johnson	8/23/2016	8/30/2016	7174	Novotney, Thomas	Purchase	Cole Real Estate Investments	Not Yet Issued	\$20,000.00	Alternative Investments	126592	5

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO
USA FINANCIAL SECURITIES CORPORATION'S SIPC ASSESSMENT RECONCILIATION AS
REQUIRED UNDER SEC RULE 17A-5(e)(4)**

February 28, 2017

To the Board of Directors of
USA Financial Securities Corporation
6020 East Fulton Street
Ada, Michigan

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2016, which were agreed to by USA Financial Securities Corporation (Company), and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of Form SIPC-7. The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries (check stubs and printouts of online bank statements) noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 (FOCUS Report) for the year ended December 31, 2016, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2016, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences; and
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and engagement documentation (the Company's year-end audited income statement) supporting the adjustments, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in cursive script that reads "Echelbarger, Himebaugh, Tamm & Co. P.C.".

Echelbarger, Himebaugh, Tamm & Co., P.C.
Grand Rapids, Michigan

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION
P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300

General Assessment Reconciliation

SIPC-7

(33-REV 7/10)

For the fiscal year ended 12/31/2016

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

17*17*****2300*****MIXED AADC 220
52342 FINRA DEC
USA FINANCIAL SECURITIES
6020 FULTON ST E
ADA MI 49301-9106

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

- 2. A. General Assessment (item 2e from page 2) \$ 28,113
- B. Less payment made with SIPC-6 filed (exclude Interest) (13,561)
7/26/16
Date Paid
- C. Less prior overpayment applied (0)
- D. Assessment balance due or (overpayment) 14,552
- E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum 0
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 14,552
- G. PAYMENT: the box
Check mailed to P.O. Box Funds Wired
Total (must be same as F above) \$ 14,552
- H. Overpayment carried forward \$(0)

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

USA FINANCIAL SECURITIES CORPORATION

(Name of Corporation, Partnership or other organization)

[Signature]

(Authorized Signature)

Dated the 13th day of FEBRUARY, 2017

CFO

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: _____
Postmarked _____ Received _____ Reviewed _____

Calculations _____ Documentation _____ Forward Copy _____

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"
AND GENERAL ASSESSMENT**

Amounts for the fiscal period
beginning 1/1/2016
and ending 12/31/2016

Item No.		Eliminate cents
2a.	Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	\$ <u>19,334,331</u>
2b.	Additions:	
	(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.	<u>0</u>
	(2) Net loss from principal transactions in securities in trading accounts.	<u>0</u>
	(3) Net loss from principal transactions in commodities in trading accounts.	<u>0</u>
	(4) Interest and dividend expense deducted in determining item 2a.	<u>0</u>
	(5) Net loss from management of or participation in the underwriting or distribution of securities.	<u>0</u>
	(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.	<u>0</u>
	(7) Net loss from securities in investment accounts.	<u>0</u>
	Total additions	<u>19,334,331</u>
2c.	Deductions:	
	(1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.	<u>7,865,703</u>
	(2) Revenues from commodity transactions.	<u>0</u>
	(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.	<u>216,717</u>
	(4) Reimbursements for postage in connection with proxy solicitation.	<u>0</u>
	(5) Net gain from securities in investment accounts.	<u>0</u>
	(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.	<u>0</u>
	(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).	<u>0</u>
	(8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):	<u>0</u>
	(Deductions in excess of \$100,000 require documentation)	
	(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.	\$ <u>6,707</u>
	(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).	\$ <u>0</u>
	Enter the greater of line (i) or (ii)	<u>6,707</u>
	Total deductions	<u>8,089,127</u>
2d.	SIPC Net Operating Revenues	\$ <u>11,245,204</u>
2e.	General Assessment @ .0025	\$ <u>28,113</u>
		(to page 1, line 2.A.)



SEC
Mail Processing
Section

MAR 01 2017

Washington DC
413



2301 East Paris Avenue SE, Grand Rapids, MI 49546

616.575.3482 ■ ehc@ehc.com ■ www.ehc.com



USA FINANCIAL SECURITIES CORPORATION

FINANCIAL STATEMENTS

FOR YEARS ENDED
DECEMBER 31, 2016 AND 2015



Echelbarger, Himebaugh, Tamm & Co., P.C.
2301 East Paris Ave SE, Grand Rapids, MI 49546
PO Box 1154, Gaylord, MI 49735
616.575.3482 info@ehtc.com www.ehtc.com



February 28, 2017

RE: 2016 Annual Audited Financial Statements

Enclosed are the year-ended December 31, 2016 audited financial statements for USA Financial Securities Corporation (SEC# 8-52342, CRD# 103857, TIN: 38-3397033).

If you have any questions regarding these items, please feel free to contact me by phone at (888) 407-8198 x464 or by email: wbachert@usafinancial.com.

Sincerely,

William Bachert
CFO

Encl.

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